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CENTRAL INTELLIGENCE AGENCY  
Directorate of Intelligence  
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INTELLIGENCE MEMORANDUM

The Potential Dangers in the Libyan-Egyptian Feud

Introduction

The deterioration in Libyan-Egyptian relations over the last month adds a new and potentially dangerous element to the Middle East equation. While the feud at this point is still confined to a bilateral arena, its causes stem from fundamental differences between the two sides over how to confront the Israeli enemy and in their perception of the role the super-powers should play in Middle East politics. Should either Cairo or Tripoli escalate the quarrel, events could be set in motion that would affect US interests in the area. An Egypt heavily embroiled with its neighbor would be a less energetic and convincing Arab leader in peace negotiations. More important, the Soviet Union, frustrated by President Sadat and seeking new footholds in the Middle East, might see advantages in fostering the Libyan side. Under the worst circumstances, a full-fledged vendetta could lead to the assassination of Sadat.

We believe that practical economic and political considerations will help to restrain both sides, but in such a highly charged atmosphere, the possibility of a more serious confrontation cannot be ruled out. It is, therefore, useful to explore various scenarios that could bear directly on US interests.

Current Situation

Following a prolonged period of Libyan sniping and posturing, Tripoli now finds itself on the defensive. President Sadat has recently retaliated with a scathing public attack on President Qadhafi, the recall of the Egyptian ambassador, the withdrawal of the entire Egyptian military mission in Libya,

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and an implied threat of more detrimental actions. Sadat's current strategy of blaming Qadhafi personally for Libya's transgression is intended to drive a wedge between the Libyan leaders and the 10 other members of the ruling Revolutionary Command Council. By distinguishing Qadhafi from other "well-intentioned" Libyans, Cairo is giving an implicit blessing to any who might consider a direct challenge to Qadhafi's power. The withdrawal of Egyptian military support for Qadhafi's rule gives point to that signal and at the same time is probably designed to foment uncertainty within the Libyan armed forces, Qadhafi's major prop.

So far, the Libyan leadership has remained united in the face of Cairo's challenges, claiming that it will take no retaliatory measures. Indeed, Qadhafi and his colleagues are doing all they can to appear calm and reasonable, if only to prevent a panicky exodus of indispensable Egyptian civilian workers. Libya's uncharacteristic restraint may not hold for long, however.

Both sides have made vague insinuations of superpower involvement in their differences; Egypt opened with the suggestion that Libya has become a Soviet pawn and Qadhafi countered with accusations that Cairo is acting on Washington's behalf. Each has charged the other with both petty harassment and blatant subversion, charges that--although somewhat exaggerated--contain a strong element of truth.

Very little was accomplished during the recent meeting between Sadat and Qadhafi in Alexandria. Sadat half-heartedly offered to send an emissary to Tripoli to carry on with reconciliation talks and both sides reaffirmed their agreement to stop propaganda attacks. Neither side, however, seems prepared to compromise on areas of fundamental disagreement.

#### Immediate Consequences for Both Sides

Libya has far more to lose than Egypt as a result of this quarrel. Sadat's denunciation has deepened Qadhafi's isolation from the Arab mainstream and reinforced his image as a dangerous meddler in international affairs. The rift probably also has brought closer to the surface private disagreements between Qadhafi and his colleagues, who have for some time questioned the wisdom of their leader's open antagonism toward Cairo's policies. Although the Libyan people are happy to see the hated Egyptians go, many of the well-educated have a sober

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appreciation of Libya's dependence on Egyptian goodwill. Should Cairo pursue the dismantlement of its once cooperative alliance with Tripoli, the Libyan government and economy could be paralyzed--at least temporarily--by the withdrawal of tens of thousands of Egyptian laborers and workers, who hold key posts throughout every public institution. Under such circumstances, Libyans would ultimately blame their own leaders for the chaos and stagnation that would follow. Qadhafi's regime would then be seriously vulnerable to divisiveness within its own ranks and to challenges from abroad.

Cairo is also paying a price for the rift with its neighbor. Although the return of its military men and equipment will reinforce defenses at home, Sadat now has little choice but to return a squadron of Libyan Mirages, integrated into the Egyptian air force for over a year. Sadat may also feel obligated by appearances to relinquish other Libyan contributions to its war machine.

Cairo would have difficulty reabsorbing returning workers and employing Egyptians who normally would seek jobs in Libya. Although the absorption could be more easily accomplished in the midst of Egypt's current reconstruction program, this problem could still be troublesome at a time of domestic restlessness and high expectations. The amount of repatriated income would also drop. Furthermore, Egypt would lose the option of turning to Libya as an alternative to Saudi Arabia's financial help.

#### Two Angry Men

These practical issues may not be sufficient to dissuade either Sadat or Qadhafi, [REDACTED]

President Qadhafi is an impetuous brinksman spurred on by his belief that Sadat's policy of negotiation spells the end of pan-Arabism. Qadhafi wants first and foremost a united Arab nation purged of zionism and free from all communist and Western political and cultural influences. For him, this goal is a matter of religious conviction that brooks no compromise or hesitation.

As Libya has discovered its inability to strike Israel directly, Qadhafi has become more antagonistic toward the US which he sees as a hostile force totally aligned with Israel. His antipathy toward Washington is matched by an equally

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contemptuous attitude toward the USSR, which he views as a dangerous atheistic force with designs on the Arab world. These suspicions are amplified by his fears that current peace negotiations mask part of a plan by the superpowers to divide up the world at the expense of the Arabs and other non-aligned nations. Qadhafi sees Sadat's desire for a settlement with Israel and Egypt's rapprochement with the US as evidence that the Egyptian president has either been duped or is wittingly cooperating in a dangerous scheme.

Qadhafi is willing to treat with Washington or Moscow to obtain arms and technical help and he is prepared to make some of the right gestures to get them. The conclusion of a major arms deal with Moscow and several friendly overtures toward Washington are recent examples of his willingness to bend if Libya's interests are served. Qadhafi, nevertheless, is inflexible in his fundamental views. His fears and antagonism are now focused on Sadat, who by his recent challenges to Tripoli, has provided Qadhafi with final proof of betrayal to the Arab cause.

Sadat, for his part, is fed up with his reckless and uncompromising neighbor. For months, the long suffering Sadat ignored Libya's public condemnation of Egypt's management of the war and its subsequent effort to muster Arab support for negotiations. However, evidence of Qadhafi's meddlings in Egypt's domestic politics has frightened the Egyptian leadership, which is keenly aware that Qadhafi--as self-appointed successor to Nasir--has some following among Egyptian students and military officers. Cairo is also worried that Tripoli's anti-Egyptian propaganda campaign--especially charges of siding too closely with Washington--may play into the hands of other Arabs <sup>who</sup> would like to challenge Cairo's leadership of the Arab bloc.

For Sadat, dealing with the young and mercurial Qadhafi sparks strong emotions and sometimes over-reaction. Although Sadat has been the only Arab leader capable of moderating the Libyan leader, his tolerance is now drained. Against the advice of some of his key advisors, Sadat no longer intends to coax and persuade a man he has come to view as a direct and dangerous adversary.

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### Soviet Attitudes Toward Egyptian-Libyan Tension

The Soviets have demonstrated an interest in recent months in improving what have been very strained ties with Libya. The most significant aspects of this development have been Jallud's May visit to Moscow and the conclusion of a major arms deal.

Moscow undoubtedly thinks Qadhafi is a useful thorn in Sadat's side. The Soviets probably take some satisfaction that the back-biting between Libya and Egypt distracts Sadat and brings his leadership of the Arab world into question. The Soviets appear to have entered into their arms deal with Tripoli partly because they calculate it will have an unsettling impact on Sadat's own military--who have been cut off from Soviet arms for over four months. In addition, Moscow would welcome any increased Libyan dependence on it for military aid and advisors.

Moscow, however, must be wary lest its support for Libya damage its long term prospects with Egypt which it still views as the dominant Arab country. The Soviets recognize Egypt's importance at the Geneva peace talks and still hope they can influence Sadat's policies. Egypt is too important for Moscow to abandon completely, but the Soviets are in no hurry to make decision regarding Egypt since they may think Sadat's position at home to be weakening. The Soviets would not want to lose their port facilities in Alexandria which remain very useful to them or to jeopardize their future use of the Suez Canal. Furthermore, they do not want to damage their relations with other Arab states by interfering openly in an intra-Arab dispute. The Soviets have thus avoided direct criticism of Sadat in order to avoid an open break with Egypt.

The Soviets also have misgivings about Qadhafi, whom they regard as dangerously erratic. They are deeply suspicious of his Muslim fanaticism and resentful of his continuing criticism of the USSR. They would not want to commit themselves deeply in a situation over which Qadhafi would retain control.

### Possible Developments

We see only faint signs that either side is serious about opening a new dialogue, thus we anticipate that the situation will gradually worsen along the following lines.

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Scenario A: Both parties will probably break the propaganda truce worked out in early August and a new acrimony will creep into public exchanges. This may involve more direct charges of superpower manipulation of the quarrel.

Cairo may actively encourage the return from Libya of key categories of Egyptian civilians, who even on their own may feel compelled to go home. Tripoli might, in turn, recall its military trainees and students in Egypt. Harassment of individuals at border points would intensify, frontier guards might be reinforced, and the possibility of an incident increased.

Libya may react to Egypt's lead and recall its ambassador in Cairo. Both sides, however, may want to avoid a formal diplomatic break, if only for appearances' sake.

Both sides would probably step up efforts to foment trouble among tribes that live astride their common border.

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Tripoli, for its part, might use such assets as it may have among conservative religious factions and the armed forces inside Egypt to increase disruptive incidents.

Both sides would incur some risks and disadvantages were they to pursue this course. Egypt would have to consider the possibility that its actions might:

- cause Libya to turn to the Soviets for manpower to fill vacancies in the Libyan air defense system and to seek Moscow's moral and political support.
- tarnish Sadat's image as a statesman capable of maintaining Arab solidarity
- give radical fedayeen elements new incentives to strike at Egypt directly

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-- cause those Egyptians already skeptical of Sadat's policies to become more wary

-- rally other Libyan leaders to Qadhafi's side.

In this situation, the Soviets would probably see advantage in encouraging Libyan intransigence without appearing to challenge Sadat directly. If Moscow could overcome Qadhafi's opposition to a substantial Soviet presence, it could quickly dispatch several hundred military advisors to fill the void left by the Egyptians. Moscow would be willing to sell and quickly deliver even more military equipment. The Soviets would also discreetly encourage the Libyans and seek to stir up criticism of the Egyptians actions as disruptive to Arab unity.

Sadat might calculate that these disadvantages would be outweighed by the possibility that Qadhafi might be silenced and cast again into isolation if Egypt were to take the measures outlined above. We believe there is some possibility that Qadhafi under this type of pressure might adopt a more conciliatory position--at least over the short run--in order to avoid internal political and economic disruptions. On the other hand, if the two sides were unable to arrive at some middle ground the situation might mushroom along the following course.

Scenario B: A formal diplomatic break might be initiated by either or both sides. Borders would be closed and all cooperation, even at the lowest levels of administration, would stop. Real or alleged violations of airspace and territorial waters would be likely causes of serious incidents.

Each side would lobby for support among other Arab and non-Arab states. Calls for emergency meetings of regional and international organizations might be issued by either side. The situation would be considered cause for an Arab summit--if not by the two adversaries, perhaps by other concerned Arab governments. Mediation attempts by other Arabs would undoubtedly be undertaken.

Either party might try to drag the US or the Soviets more directly into the fray.

If--as Cairo charges--Qadhafi has assassination squads inside Egypt, Sadat and other Libyan detractors could possibly become targets.

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Such actions would be extremely risky and difficult to control. We do not believe either side wants to carry its grievances this far, but we do not rule out the possibility that the momentum of events could precipitate such a collision course. Egypt would have to weigh the following possible consequences:

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- a vigorous Soviet response to Tripoli's plea for help that might include posturing of its Mediterranean fleet and the dispatch of "advisors" and weapons
- a negative reaction from other Arabs--particularly Egypt's chief allies in Saudi Arabia--who are traditionally fearful of Egyptian interventionist policies
- polarization within Palestinian ranks among pro- and anti-Libyan factions
- exploitation by Israel of Egypt's preoccupation with Libya that might include a major stall on negotiations
- a harmful impact on an international investment community wary of instability in the area.

In this situation, the Soviets would have to move carefully lest they risk an open rupture of their relations with Egypt. They might take some conspicuous action such as flying in additional arms or dispatching Mediterranean fleet units to Libyan ports to indicate political support for Libya. Moscow would be willing to provide technical and economic advisors although it could hardly replace the tens of thousands of Egyptian civilians now in Libya. The Soviets probably would not dispatch their own ground or air combat forces to Libya or engage in any blatant show of naval force since this would appear to be direct intervention in inter-Arab affairs and commit Moscow to the probable loser if war should ensue. They might, however, hint at such actions in an attempt to deter Cairo.

If the situation ever reached the point described above, we do not foresee either side backing down easily. In fact, the regime in Tripoli might be so badly shaken and divided that

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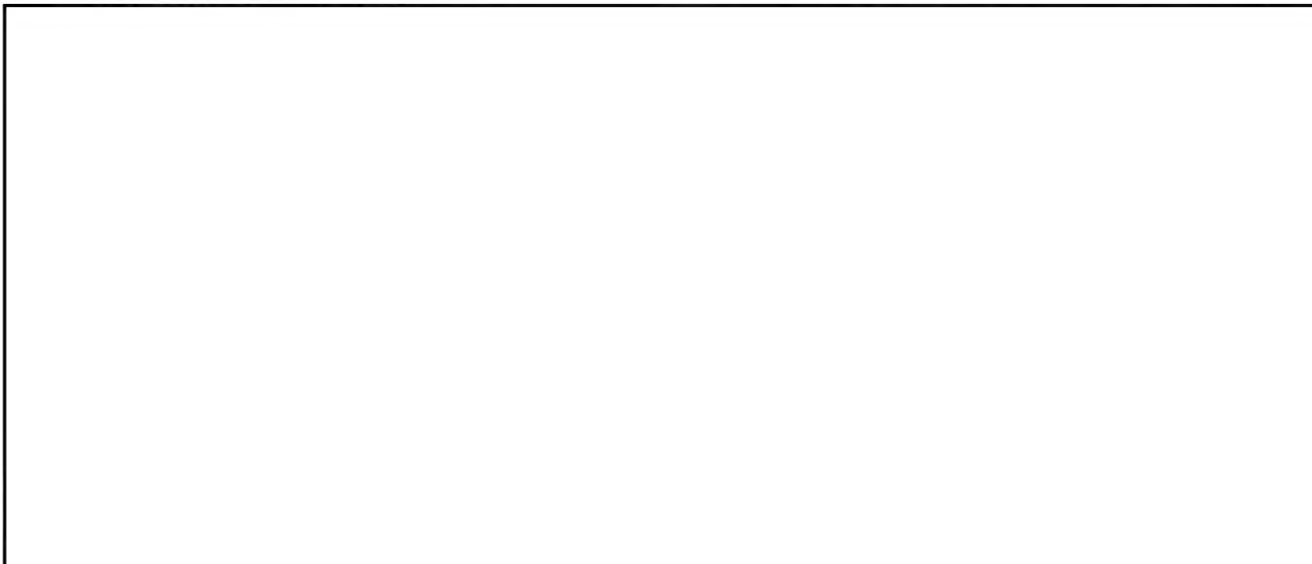
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it could not effectively represent itself in negotiations either in Cairo or before a mediation forum. Should efforts to stabilize the situation fail, either side might venture along a dangerous and foolhardy course that might involve the following actions.



The Libyans might seriously attempt to assassinate Sadat. Even if the attempt were cleverly disguised, most Egyptians would reflexively suspect Tripoli. Whether such an attempt succeeded or failed, the full force of the Egyptian military and political establishments would probably undertake a campaign against Tripoli as a task of national honor.

[redacted] a military clash would be a clear danger. In any such confrontation--be it limited or full scale--Libya would be completely overwhelmed.

In this situation, the Soviets would avoid any direct commitment to Libya in order to avoid being pulled into a military conflict. Moscow would encourage its Arab clients to press for a cease-fire and mediate the conflict.

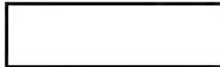
To prevent a Libyan loss in such a conflict, Moscow would have to introduce substantial air and ground combat units. Such an action would put Soviet forces into direct combat with Egypt, damage seriously its position with other Arabs and severely strain detente with the US.

We consider this scenario to be only a very remote possibility. The damage to both countries--both internally

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and internationally--would be severe and long-lasting.  
Almost every Arab nation could be expected to condemn an  
open confrontation.

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